



CONNECTICUT BANKERS ASSOCIATION

February 25, 2014

TO: Members of the Banks Committee

FROM: Connecticut Bankers Association

Contacts: Tom Mongellow, Fritz Conway

RE: AN ACT CONCERNING CONSUMER REMEDIES AGAINST DEBT BUYERS

Position: Oppose

While this bill's title appears to focus on Debt Buyers, it would impact any "Creditor" which includes all banks. In addition, the bill removes the standard test to determine liability under the existing statutes, "a person who is harmed by such conduct".

The removal of that test, which was agreed to by the industry back in 1997 is unacceptable as it will encourage a rash of frivolous lawsuits that banks and other creditors will have to pay - regardless of whether the customer was harmed. That removal along with the existing language that provides for "a reasonable attorney's fee" would be additional encouragement for those frivolous lawsuits, as attorneys would always be paid to bring suit, even if unjustified.

We encourage your rejection of Senate Bill 225.